

Information Services Board Meeting Minutes – September 13, 2001

Department of Information Services Boardroom, The Forum Building
Olympia, Washington

Members Present:

Representative Glenn Anderson
Everett Billingslea
Senator Emilio Cantu
Tom Kelly
Ed Lazowska
Mary McQueen
Gary Robinson
Representative Laura Ruderman
Marsha Tadano Long

Members Absent:

Tom Fitzsimmons
Jayasri Guha
Earl W. Heister
Senator Lisa Brown
Senator James West

Roll Call

A sufficient number of members were present to constitute a quorum.

Approval of Minutes

Minutes from the June 12, 2001 meeting were approved.

Review of Core Enterprise Systems

Ms. Lourdes Collins, Senior Technology Management Consultant, DIS, said the next three agenda items have been grouped together because they address replacement, enhancement, or extension of core mission critical systems. The Health Care Authority, Community and Technical Colleges and the Department of Personnel will present plans for their core enterprise systems. These aging systems have an increased risk of system failure, diminishing support and trained staff due to discontinued technologies, lack of functionality and limited flexibility to adapt to new business requirements. The state is faced with balancing those risks with the high costs of significant enhancements to core systems, or replacing them altogether. The preferred approach is to have the systems provide deliverables and realize actual benefits within a single biennium with continued funding provided if systems are proved successful.

Health Care Authority Investment Plan for Health Insurance System

Ms. Collins introduced Ms. Ida Zodrow, Acting Administrator and Mr. Tom Neitzel, Information Technology Manager of the Health Care Authority (HCA) to present their investment plan for a new insurance system and request ISB approval to proceed with the acquisition and implementation process.

Ms. Zodrow said the mission of HCA is to provide access to

**Health Care Authority
Investment Plan for
Health Insurance System**
(continued)

quality, affordable healthcare through four primary programs. The Basic Health Plan provides healthcare coverage for about 188,000 low-income enrollees. The Public Employees Benefit Board (PEBB) covers more than 300,000 active and retired state and public employees. The third program is the Uniform Medical Plan, a self-funded preferred provider health plan, which serves 88,000 employees. The Community Health Services program provides grant funding to thirty community clinics for 138 clients whom otherwise would have no access to healthcare.

Ms. Zodrow explained the investment plan HCA is presenting for ISB approval involves the insurance system functions that support both the Basic Health Plan and the PEBB. The two programs have common system requirements. They each require documenting eligibility and member enrollments for participating agencies and programs. Enrollment information needs to be transmitted to the contracted insurance carriers and allow HCA to bill and collect payments from agencies and individual members. HCA must make timely and accurate payments to the insurance carriers for every enrolled member. She said that currently these functions are performed on two outdated, separate systems.

Ms. Zodrow described the complexity of interfacing with all of the payroll systems and the scope of the agency's work. With 291 full time employees they manage health care, life insurance and long-term disability for over 500,000 members and manage \$2.3 billion in benefit dollars biennially. She said in the agency's strategic planning, HCA continually looks for ways to improve their internal business processes. With this goal in mind, HCA has implemented an Integrated Voice Response (IVR) system that allows them to respond to over 100,000 calls per month and an imaging system to help manage the large volume of documents they process and to improve the workflow.

Ms. Zodrow explained that the current insurance systems are ten to twenty years old, and are batch systems incapable of real time updates for client eligibility. The systems are not able to interface with more current Internet based e-commerce applications, and have high operating costs. It is becoming more difficult to retain staff skilled to operate these aging systems. The older systems need to be replaced. The Federal Health Insurance Portability and Accountability Act (HIPAA) standards require new formats and privacy standards that would require an investment of \$2 million to patch the aging systems. She introduced Mr. Neitzel to present their preferred alternative.

Mr. Neitzel said the HCA feasibility study presented to the ISB a year ago considered the alternatives to be: build a system; buy a system or; modify the existing systems. The preferred alternative was a purchase of an off-the-shelf product. They

**Health Care Authority
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examined the vendor products and found three systems that could meet their requirements. They determined a very strong cost benefit return on their investment. They calculated the system would have a one-time cost of \$4.99 million over the biennium. The annual return on investment will be \$1.5 million, resulting in a five-year payback. He said if they postponed the replacement they would continue to incur the high costs of maintaining the aging systems and would still need to make changes to meet the HIPPA requirements.

Mr. Neitzel said the new system would improve the interfaces with partner agencies and members. He emphasized the importance of having the business drive the application of technology and described the agency record for successful information technology project management. He complimented the ISB for the benefits of the adoption of portfolio management.

Mr. Neitzel stated that last year 60,000 families were required to change their healthcare plans and 30,000 of them used the IVR to make the changes, reducing the cost per transaction from \$1.50 for the old paper-based process to ten cents for the automated IVR method. Mr. Neitzel said they did a pilot e-commerce initiative to allow PEBB members to change healthcare plans over the Internet during the open enrollment period. It was so successful they were given a Governor's Quality Award in April 2001 for the project. HCA will be expanding the program to include all members for this year's open enrollment period.

Mr. Neitzel described the project plan as having aggressive timelines and disciplined management. With Board approval they will issue an Request for Proposal (RFP) at the end of September, evaluate the proposals in November, and have signed contracts in place and begin work in January 2002. Full production is planned for April 2003.

Mr. Neitzel explained that \$3.64 million had been appropriated and the project is estimated to cost \$4.9 million. Two million dollars for software and hardware will be financed as lease purchases over a two-year period with payments would be made based on operational savings.

Senator Cantu asked about plans for acceptance testing. Mr. Neitzel said the project would be managed in the traditional, structured project management approach and with approval, HCA will involve the users at the onset.

Ms. Marsha Tadano Long asked if the cost savings would continue indefinitely. Mr. Neitzel confirmed there would be a permanent reduction in costs.

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(continued)

Representative Laura Ruderman asked if the cost savings would result in the elimination of full time staff. Mr. Neitzel said two-thirds of the staff that support the aging systems are contracted through the Department of Personnel and will not be needed for the new system.

Mr. Ed Lazowska said the requirement analysis, cost benefit analysis, track record, and interaction with the Board and DIS were great and he supported the approval.

A motion was made to support the approval of the investment plan.

The motion was carried unanimously.

**Community and Technical
Colleges Re-hosting of
Administrative Systems
Project**

Mr. Andy Marcelia, Senior Technology Management Consultant, DIS, introduced the Community and Technical Colleges briefing on its plan to evaluate an alternative to extend the current administrative applications by moving them to a new processing platform, described as re-hosting. To present the plan, he introduced Mr. Charles Earl, Chair of the Center for Information Services (CIS) Executive Committee and President of Everett Community College, Ms. Sandy Wahl, State Board of Community and Technical Colleges and Mr. Vic Albino, Executive Director of CIS.

Mr. Earl said he represented the state's 34 colleges and more than 250,000 students. The administrative systems they are recommending be re-hosted are the student management systems including the enrollment process, class schedules, and grades, budget and financial management systems such as tuition, payroll, cashier, and human resource management.

Mr. Earl said these systems have been used for 15 to 20 years and are not integrated with each other, preventing the reporting capabilities needed to analyze public policy options. The systems have been developed using proprietary hardware and software and are becoming more difficult to maintain and more expensive to operate. The systems cannot provide real time student information and are inflexible. He said the privacy legislation that passed this year requires the colleges convert the students' social security numbers to a new student identifier. He estimated the change would require 5,700 hours of system analysis and programming. He said that when a student changes an address it must be manually updated in several systems. There is no capability for the systems to be updated using the Internet.

Mr. Earl said they have looked at various options for modernizing the core systems, such as redevelopment internally or using new third party applications, outsourcing or the use of middleware.

**Community and Technical
Colleges Re-hosting of
Administrative Systems
Project** *(continued)*

The analysis of the options proved the investments would be substantial. They recommended doing a study over the next year to analyze the re-hosting option and the feasibility of moving applications, data, and business logic to an updated platform.

Mr. Albino concurred with Mr. Earl's description of the issues involved with the administrative systems and reviewed a white paper provided to Board members describing the plan to re-host. The colleges are in Phase 1 of the plan and have retained a consultant to complete a thorough analysis of business case, risks, costs, quality assurance plans and recommended strategies. Phase 1 will assist in developing the RFP; Phase 2 findings will be reported to the ISB including a proof of concept and; Phase 3 will result in a project plan being presented to the ISB for approval.

Representative Glenn Anderson suggested extensive customization would be inadvisable and asked what process will be in place to discourage the introduction of additional functionality across the 34 colleges. Mr. Albino said they plan to keep changes to an absolute minimum and requests would go through multiple approval levels to avoid the issues they are faced with now. The colleges developed a strategic direction statement that assigns responsibility and governance to CIS to ensure data integrity and the interoperability of the application among the colleges.

Representative Anderson asked what issues the individual colleges faced with adoption of the new system. Mr. Albino said colleges would need to allow staff time for training and in some instances hardware and networks would need to be upgraded. Mr. Earl said they have not completed a financial plan but plan to do so.

Senator Cantu asked why there were a wide range of cost estimates that resulted from the Request for Information (RFI) issued in March 2001. Mr. Albino said there were extremes on both ends, but the majority fell between \$14 to \$17 million. Senator Cantu advised that they should establish a well-defined set of requirements before issuing the RFP.

Mr. Gary Robinson asked Mr. Albino to comment on the difference in cost estimates between the third party complete replacement and the re-hosting solution. Mr. Albino stated the replacement was by far the most expensive alternative and carried the highest risk. To meet state reporting requirements the estimate was \$45 million, and to get a system with the functionality similar to the current system the estimate began to approach \$80 million.

Ms. Wahl explained the role of the State Board of Community

Community and Technical Colleges Re-hosting of Administrative Systems Project *(continued)*

and Technical Colleges. She said they had four interests; to insure they comply with ISB policies; to keep the communication open between the colleges, the Board, and DIS; to work towards an implementation process that is woven into the two-year college budget development process and; to get the information necessary to improve the information provided to the policy makers.

Department of Personnel Human Resources Management Information System

Ms. Lourdes Collins, Senior Technology Management Consultant, DIS, said the Department of Personnel (DOP) would present the feasibility study approach and plan for replacement or extension of its Human Resource Management Information System. She said that in 1999, the Digital Government Executive Steering Committee formed an information technology architecture subcommittee to review and make recommendations for the future of the state's administrative and financial systems.

The Enterprise Information Systems Architecture Project, led by the Office of Financial Management (OFM) with participation from several key agencies, charted the future direction for these systems. The result was the blueprint that stressed integration inconsistencies across state agencies and focused on long-range improvements. Human Resources Management, including payroll, labor distribution, time and leave reporting, and salary projection systems were identified as highest priority for improvement. Ms. Collins introduced Mr. Gene Matt, Director, DOP and Mr. Doug Tanabe, Information Systems Division Assistant Director, DOP to present their approach and plan.

Mr. Matt provided background information on DOP, stating the mission of the department is to facilitate the state's effort to attract, develop and retain a capable and diverse workforce. He said the agency provides human resource services to approximately seventy-nine state agencies, boards and commissions. DOP processes payroll twice a month for over 60,000 employees. He said many human resource functions, laws and rules are supported by the current mainframe payroll and personnel systems maintained by DOP.

In April 2001, DOP and OFM, with the assistance of MTG Management Consultants, completed a human resource information systems option study to identify core business problems related to the existing systems. Some of the business problems identified included; lack of flexibility and cost effectiveness to adapt to new human resources business functions and practices; difficulties associated with system modifications and; business process improvement. The payroll system does not interface the labor distribution information with OFM's statewide accounting and budgeting systems. The risks are increasing due to these twenty-five year old payroll and

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Human Resources Management
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(continued)

personnel systems. Thirty percent of the staff who maintains these systems will be eligible for retirement in the next five years. The users of the systems have requested more than 400 fixes and enhancements. These mission critical systems are among the oldest in the state and have not been evaluated from a strategic business standpoint.

Mr. Matt introduced Mr. Tanabe to discuss the feasibility work plan. Mr. Tanabe said he has been working with Ms. Sadie Hawkins, Assistant Director, OFM, as co-executive sponsors for the human resources option study. MTG recommended DOP conduct a feasibility study to determine the preferred alternative for updating the current aging systems. Three alternatives, building a custom system, buying an off the shelf human resources system, or extending and enhancing the current systems with web-enabled front end interfaces, or completely outsourcing the services were explored. They said there was little justification for building their own custom system and that DOP should investigate what other states and entities, such as the University of Washington, are doing to address aging core systems.

Mr. Tanabe said that MTG surveyed state agency human resource and payroll staff to document customer requirements. DOP contracted with Arthur Anderson, LLP, to develop a feasibility work plan. The plan would require ten months to complete and would include validation of the viability of the four alternatives, the development and compilation of a peer group survey and a work plan for the extending and off the shelf software alternatives. DOP will come back to the ISB to present the findings of a fit-gap analysis of two vendor software packages and the documented processes for improvements and total cost of ownership for the recommended alternative.

Mr. Lazowska asked if they plan to exclude the vendor that does the feasibility study from participating in the system implementation. He suggested DOP consult with DIS prior to allowing the feasibility study vendor to participate. He then asked if the agency has a clear sense of the system requirements. Mr. Tanabe said they documented the functionality of the current systems and plan to spend additional time gathering requirements before issuing the RFP. Mr. Tanabe said they would research the amount of software customization needed for the off-the-shelf alternatives through the fit-gap analysis and would be interested in meeting with Mr. Albino regarding the CIS fit-gap analysis. Mr. Albino said the fit-gap analysis for CIS was a labor intensive and expensive process, but they got all the data needed to determine exactly what they would be acquiring.

Senator Cantu said the feasibility study should contain a detailed

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(continued)

plan including cost benefit analysis and necessary data to justify decisions. He asked Mr. Paul Taylor, ISB Chief of Staff, to expand the current ISB feasibility study requirements.

Mr. Tanabe said the MTG survey revealed that there are eighty-four other existing personnel related systems in state agencies. Representative Anderson asked why there is an expansion of these systems. Mr. Robinson said the current inflexibility of the current DOP systems and similar to HCA and CIS individual agencies have opted to implement their own sub-systems to meet their individual needs because the centralized system has not been responsive. He stated that is why as the ISB, it is of value to look at each of the core systems more broadly to be responsive to the wide range of agency requirements.

Mr. Billingslea suggested that DOP work with DIS staff to provide a clearer picture of what DOP wants to do and how they will do it and present it to the Board at its next meeting.

Senator Cantu expressed concern that because DOP was only funded at \$561,000 of its \$2.2 million request that Board approval of the study may not reflect legislative intent. Mr. Tanabe said they would request the remaining funds from the legislatively mandated Technology Funding Pool to complete the study.

Mr. Robinson said OFM has the understanding that DOP's request from the Technology Pool would be eligible for those funds. Many agency funding requests were not funded or not funded at the full level with the Legislature directing OFM and DIS to evaluate requests from one pool of \$7.5 million and a second pool of \$5 million. Mr. Matt stated that if the pool does not provide the additional funds they would have to decide whether or not to proceed.

Mr. Billingslea asked them to report the results of their request and a more specific direction at the next ISB meeting.

New Member

Mr. Billingslea recognized a new member. He welcomed Mr. Tom Kelly, Deputy Director Office of Superintendent of Public Instruction (OSPI) who replaced the former OSPI member, Ms. Clare Donahue.

Department of Social and Health Services Automated Client Eligibility System (ACES) Feasibility Study

Mr. Tom Parma, Senior Technology Management Consultant, DIS, said in January, 2001 the Department of Social and Health Services (DSHS) presented the results of a feasibility study to transition support for the Automated Client Eligibility System (ACES), from IBM Global Services to state control and to request an extension of the existing contract. As a condition of granting the extension, the Board required DSHS to expand the scope of the feasibility study to options other than retaining the current contractor or transferring all development and maintenance to state personnel exclusively.

Mr. Parma said that in March 2001, the Board sent a letter to DSHS requesting additional information and engaged R&G Associates, LLC to perform an independent review of DSHS previous feasibility study and provide DSHS assistance in developing the expanded study for a presentation to the Board. He introduced Mr. Dennis Braddock, Secretary, DSHS, Mr. Rob St. John, Director of the Information Technology Division, DSHS, Mr. Joe McGavick, Regional Project Manager, R&G Associates, LLC, Mr. Stan Davis and Mr. Paul Royer, Consultants, R&G Associates, LLC to present the expanded study and recommendations.

Mr. McGavick said their review included examining the earlier feasibility study and the expanded study for accuracy, completeness and credibility. They also researched the current feasibility study guidelines as they apply to complex, mature systems such as ACES and developed recommendations for additional feasibility study guidelines for these mature systems. He introduced Mr. Royer to present their findings.

Mr. Royer said the expanded DSHS feasibility study completely addressed all reasonable alternatives for continuing the support of ACES and responded to all the requests from the Board. He said ACES could be migrated to the DIS shared system, but there were two limiting factors to this option. It would require seventy-four additional full time equivalents (FTE's) to assume the burden of complete support and a shortage of qualified technical staff exists not only in Washington, but also in other states.

He said R&G reviewed the way other states operated similar systems and found the platform was the same, and in all cases the support was provided by a mixture of state and contracted staff. The architecture of ACES and its platform, though considered legacy, is entirely consistent with the size and volume of information being processed according to the Gartner Group research. R&G examined the user application and technical documentation and found it to be of the highest quality.

Mr. McGavick addressed Senator Cantu's concerns that DSHS

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Feasibility Study** *(continued)*

complied with recommendation from a Legislative Evaluation and Accountability Program (LEAP) study in 1995. He said ACES has been modernized with a web interface and a data warehouse component.

Mr. Braddock said the ACES system has been a significant accomplishment and thanked Christi Ridout and her team for their work. He said ACES is a very large system that serves 800,000 clients and performs more than 2 million transactions per day. It is a complex system with over one hundred programs and is essential in order for DSHS to serve its clients. The federal government pays for about half of ACES and federal audits confirmed it performs on an accurate and timely basis.

Mr. Braddock mentioned DSHS has been recognized for its social services information systems as Washington State has won its third Digital State Award. He identified the challenges they will need to address in the near future with advice from the Board. They will work towards cross enterprise integration and improved decision making capabilities with limited resources. He said he plans to improve the agency credibility with the Legislature.

Mr. St. John provided an overview of the \$11 million budget of ACES in the context of the entire agency budget. He said several functions have been moved from the contractor to the state such as the help desk, user documentation, testing, computer operations and additional DIS computing and information processing services. He said the bulk of the contracting dollars are spent for application development and maintenance. He said over 2,000 changes have been made because of welfare reform, electronic benefits transfer and electronic funds transfer. ACES is being extended to incorporate new technologies while leveraging the existing investment and several million lines of COBOL code. Its architecture meets ISB standards and incorporates proven technologies.

Mr. St. John said the heart of the feasibility study is an overview and discussion of eight major alternatives:

1. Extend the existing contract
2. Re-procure the contracted services
3. Transition workload from contractor to state staff
4. Transition technical support to DIS
5. Transition the application to run on the DIS shared complex
6. Transition the production control function to state staff
7. Separately procure development efforts that don't require knowledge of the application of data
8. Competitively procure time and materials staffing

He said they performed a cost benefit analysis (CBA) on

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Client Eligibility System (ACES)
Feasibility Study** *(continued)*

alternatives one through six. On the second alternative they did two CBAs, one if a new vendor won the contract and a second if the incumbent won.

Mr. Braddock said they propose to move forward with alternative two, and the costs associated with it, and would require administrative resources to do the procurement. He said it was time to test the competitive market. Mr. Billingslea said there would be some potential risks with that strategy since the current vendor could raise costs and a new vendor would cost more to transition. Mr. Braddock said they could lose more money in a week if they failed to meet federal requirements or failed to serve their clients.

Mr. Davis said it is reasonable to expect that support for these large systems will be provided with a combination of FTEs and contractors. It will be essential to properly manage the mix of resources needed to keep these systems operating as efficiently as possible. He said there should be both qualitative and quantitative methods for monitoring and measuring vendor activities. He also said the agencies must work with the Department of Personnel to build and maintain a pool of technical resources to support these systems as much as possible. Other states are forming consortiums to deal with the shortage of technical resources in Government.

Ms. Mary McQueen asked what the consortiums were doing to address the shortage. Mr. Royer said they were changing compensation rules to allow more flexible work schedules and salaries.

Dr. Lazowska commended the quality of the reports from DSHS and R&G and how well they provided the information requested by the Board.

Mr. Robinson said the analysis and recommendations would be valuable for future decisions of the Board regarding core systems. Mr. Billingslea said he would establish an ISB Core Systems Sub-committee to work on the associated issues.

**Status of the Department of
General Administration
Ultimate Purchasing Project**

Mr. Billingslea said he was concerned by the update in the briefing materials for the status of The Ultimate Purchasing System (TUPS). He asked Ms. Tadano Long, Director, the Department of General Administration (GA), if the contractors would be able to complete the system, and if there is a mechanism in place to make sure the mass edit function problem would get fixed.

Ms. Long said they have resolved two of three critical issues. The Vendor, AMS, said they were committed to have the third issue, mass edit, fixed by the end of March 2002. The problem

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(continued)

in the mass edit function is critical because it can cause the whole system to crash. GA has proposed a hold back of fifteen percent of the payment at the end of acceptance period. If AMS agrees with the hold back, acceptance testing would begin right away. She said it is in the best interests of the vendor to work the problems out since they will have a niche market with states and local government entities.

Mr. Billingslea said the hold back would be the best course of action. Mr. Robinson agreed.

**Model Information Technology
Contracts**

Ms. Erika Lim, Senior Policy Advisor, DIS, and Ms. Marie Kirk, Contracts Manager, Telecommunication Services, DIS briefed the Board on the updated model information technology contracts. Ms. Lim said in 1996 the Board approved three model contracts and adopted a list of required terms for use in the contracts. In the intervening years there have been a number of legal, policy and technological changes that have affected information technology contracts. She cited some examples including the Governor's executive order on public record privacy, the ISB Privacy Policy and case law on software licensing. In the past eighteen months contract attorneys and specialists from DIS have been redrafting the 1996 models. The Office of Financial Management (OFM), the Washington Association of Contracts Specialists and the Contracts Workgroup of the Attorney General's Office have also reviewed the model contracts.

Ms. Lim provided the Board with four models, for hardware; software; purchased services; and a new one for information technology personal services.

Ms. Kirk described the significant changes in the new models. She said the new models have improved language clarity, allow context sensitive help for the terms, and include hyperlinks to websites like OFM's personal services contracting manual to provide more education on the rules for contracting. The new contracts incorporate language that covers online documentation and newer methods for software delivery such as downloading from the Internet. Ms. Lim said the draft contracts themselves are available online at the portfolio management website www.wa.gov/dis/portfolio.

Ms. Tadano Long asked if the new model contracts had been reviewed by the State Auditor's Office (SAO), since they had audit findings in the past about contracting and may have an interest in them. She asked if the Customer Advisory Board had reviewed the new model contracts. Ms. Kirk said SAO have been using the new contracts, but did not participate in the review. Ms. Lim said the Customer Advisory Board did review them.

Model Information Technology Contracts *(continued)*

Mr. Robinson said there was substantial work in developing the models and their availability should contribute to the success of the agencies competitive procurement efforts.

Ms. Lim said the new terms and conditions will not affect the acquisitions that are underway prior to the adoption of these models. Mr. Taylor said since some members had to leave, there was not a quorum and the Board would be asked to formally adopt the model contracts at the December 6, 2001 ISB meeting. Mr. Billingslea said that would offer the opportunity to have SAO do a review.

The Performance Report and Digital Government Plan III Update

Mr. Paul Taylor, Chief of Staff, ISB, provided the Board a copy of the 1999-2000 Biennial Performance Report, required under statute and prepared by DIS for the Legislature. He summarized the results of the report that documents the 1.3 billion dollar biennial investment in the state's information technology programs that include people, hardware, software, application development and maintenance. It documents major themes that include extending the value of information technology by moving to digital government.

Mr. Taylor said the report defines the percentage invested by various sectors of government as follows:

Education -- 31 percent,
Health and human services -- 29 percent,
General government -- 16 percent,
Transportation -- 10 percent,
Criminal justice -- 9 percent, and
Natural Resources -- 5 percent

The report identified 300 Internet applications that were developed with a robust infrastructure behind them. He explained the core infrastructure and the workload for enterprise statewide network has grown 15-25 percent every year since 1995. He said growth in the workload for computing platforms such as the System 390 mainframe over the last eight years has increased 450 percent.

Mr. Taylor said the oversight function by the Board is also reported. During the previous biennium there were twenty projects under ISB oversight worth \$57 million. Thirteen of those projects were completed mostly on time and within budget, six projects carried over to the current biennium and one project was suspended. The projects have had a 93 percent success rate, higher than national benchmarks. All of this work was supported by 4,461 private sector information technology professionals.

Mr. Taylor described how the Digital Government Plan III builds upon the themes from the previous releases of the plan.

**The Performance Report and
Digital Government Plan III
Update** *(continued)*

Release I is about the citizen, Release II about the community coming together to create the place called Digital Washington, and Release III articulates the architecture that has been built and exists to support the infrastructure to allow rapid replication of applications that improve the citizen's experience using government services. He said the Release of Digital Government Plan III finishes the story of digital government planning and refreshes the statewide Information Technology Strategic Plan. The conclusion of the planning activities will conclude with a call to action in the form of a Digital Readiness Guide developed in part with the National Association of State Chief Information Officers (NASCIO) and the Center for Digital Government and will be provided to the Board at a subsequent meeting.

Mr. Lazowska commented for the record, congratulating DIS for receiving a first place award from the National Association of State Chief Information Officers for the Digital Government Plan.

**Information Technology
Security Update**

Mr. Taylor said the last agenda item, a security update would be moved to the December meeting since the ISB Independent Security Analyst, Jeff Scheel, was not able to get a flight because of the recent events affecting air travel. Mr. Scheel will present a summary of the status of agency security programs. The new policy requires letters signed by agency heads to the Board by October 6, 2001 describing what steps have been completed to establish agency security programs and what they expect to complete by the June 30, 2002 annual security review. He will provide an update on the results at the next meeting. Mr. Taylor said he would also include updates in the October and November e-mail Board status updates.

New Business

Representative Ruderman requested the Board take a leadership position in the state with regard to privacy and suggested researching the P3P standards for possible adoption. Mr. Taylor said DIS in collaboration with the Enterprise Management Group and possibly some of the Cabinet members will research the issues.

Adjournment

The meeting was adjourned.